

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, November 2, 1998

APPLICATION OF

GLOBAL NAPS SOUTH, INC.

CASE NO. PUC980107

For a certificate of public
convenience and necessity to
provide local exchange
telecommunications services

FINAL ORDER

On July 15, 1998, Global NAPS South, Inc. ("Global NAPS" or "the Company") filed a completed application for certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia¹. As part of its application, Global NAPS requested a waiver of § 2.E.1 and § 5.A.4 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Rules") requiring the filing of audited financial statements. By Order dated August 19, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Global NAPS' application.

¹ Global NAPS amended its application on July 22, 1998 reflecting a name change from Global NAPS Virginia, Inc.

On October 2, 1998, Staff filed its report finding that Global NAPs' application was in compliance with the Commission's Local Rules, except that the financial statements submitted by Global NAPs were unaudited. Based upon its review of Global NAPs' application and the Company's requested waiver of Local Rule § 2.E.1 requiring audited financial statements to be filed with an application, the Staff determined it would be appropriate to grant a local exchange certificate to Global NAPs subject to two conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements for Global NAPs or its parent, Global NAPs, Inc. ("GNI") to the Staff no later than one year from the effective date of its initial tariff. Staff opposed the Company's request for a permanent waiver of Local Rule § 5.A.4 requiring carriers to file annually audited financial statements.

A hearing was conducted on October 15, 1998. Global NAPs filed proof of publication and proof of service as required by the August 19, 1998 scheduling order. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection; and the Commission heard argument from counsel on Global NAPs' request for a permanent waiver of § 5.A.4 of the Commission's Local Rules.

Having considered the application and the Staff's report, the Commission finds that Global NAPs' application should be granted. We also find that the Company's request for a waiver of § 2.E.1 of the Local Rules, as it relates to filing audited financial statements with the application, should be granted. However, we further find that the request for a permanent waiver of Local Rule § 5.A.4 should be denied. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Global NAPs South, Inc. is hereby granted a certificate of public convenience and necessity, No. T-421 to provide local exchange telecommunications service subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Global NAPs shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should Global NAPs collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow

arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) The Company shall provide audited financial statements for Global NAPs or its parent, GNI, to the Staff no later than one year from the effective date of its initial tariff.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.